

9 SEP 1974

MEMORANDUM FOR: Administrative Officer, DCI  
Chief, DDA Plans Staff  
Chief, DDI Management Staff  
Chief, DDO Plans Staff  
Comptroller, DDS&T

SUBJECT: Five Year Projections

1. We have just received word from OMB that budget projections for FY 1977 through FY 1980 are required with the submission of our FY 1976 Budget which is due 1 October. We had not expected to have this requirement levied upon us until next year since the Congressional Budget Act does not call for it until FY 1977 and beyond. We have been given no explanation for its being required now. Guidance again is sparse. We are told we probably will receive something in writing but not in time to be of much value. Hopefully we will be able to deal with these projections more meaningfully in the future. Meanwhile we have a requirement to meet and we must proceed with what we have.
2. It is to be assumed that the value of the dollar will remain constant -- no inflation; nor will there be any provision for anticipated pay raises.
3. New programs may be assumed if there is sufficient backup data available to explain and justify them; if there is a reasonable basis for some expectation that they will be accepted and approved not only by the Director, but by OMB and the Congress. Basically estimates should be conservative and realistic as opposed to starry-eyed.
4. Budget authority is being sought; not positions. If a requirement for new positions is anticipated, provision for them should be included in terms of dollars if they cannot be offset by constraining other programs. Changes in numbers of positions need only be forecast if enough data is available to justify them.

5. Out year implications of programs approved in FY 1975, and for which approval is being sought in FY 1976 should be forecast for FY 1977-1980.

6. There should be an assessment of the effect on the ability to perform in the out years of resource reductions already imposed.

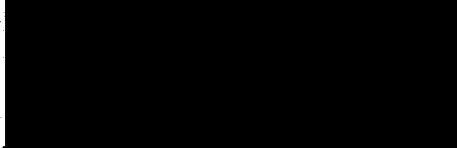
7. Savings to be realized by termination of programs; application of new technology; changing requirements; or other eventualities should be forecast.

8. Information required should be submitted by Directorate by office -

|             | <u>1976</u>     | <u>1977</u> | <u>1978</u> | <u>1979</u> | <u>1980</u> |
|-------------|-----------------|-------------|-------------|-------------|-------------|
| Directorate |                 |             |             |             |             |
| Office      | \$ in thousands |             |             |             |             |
| "           | "               |             |             |             |             |
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9. Significant changes should be explained based upon the guidance furnished in the foregoing paragraphs.

  
Chief, Budget Management Staff  
O/Comptroller

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